

CREDIT FOR SALE OF USED VEHICLE

IMPORTANT: A settlement payment received from an insurance company does not qualify as a sale for this credit.

Act 1232 of 1997, as amended by Act 1047 of 2001, provides for a sales and use tax credit for new and used motor vehicles, trailers, or semitrailers purchased on or after January 1, 1998, **if within 45 days** either **before or after** the date of purchase, the consumer sells a used motor vehicle, trailer or semitrailer. The calculation of the tax due is done in the same manner as the trade-in credit that is available to those consumers who trade-in a vehicle. Only a consumer whose name is on the title of the vehicle sold can take the credit. *A **consumer** means any private individual, business, organization or association.* The credit **cannot** be transferred to a consumer who did not have title to the vehicle that was sold.

How to take the Credit - This credit can be taken directly at your local Revenue Office when registering a vehicle if the old vehicle has already been sold. Simply follow the instructions provided at the local Revenue Office when registering the new vehicle to receive immediate tax savings. Note: The law requires that a copy of the bill of sale for the vehicle sold be provided at the time of registration of the newly purchased vehicle.

For those consumers who sell a vehicle after registering and paying tax on another vehicle, then a refund should be requested. *Important: If a vehicle is sold after registering the other vehicle, the sale must take place within 45 days of the date the other vehicle was purchased.*

How to get the Refund - Simply provide the data requested on the form found on the opposite page. Separate forms must be used for each vehicle sold. No refund may be issued unless all of these items are entered completely and accurately:

NAME - Print the name of the person(s) or business entitled to the refund. The refund cannot be issued in a name not shown on the Vehicle Registration Certificate or tax receipt issued by the Revenue Office when the tax is paid.

ADDRESS - Enter the street address or box number for which the refund is to be mailed.

CITY, STATE, ZIP - Enter the appropriate information for which the refund is to be mailed.

DESCRIPTION OF VEHICLE PURCHASED-Enter year, make, model of the vehicle purchased.

TYPE VEH PURCH - Enter the appropriate code (A, T, S, M) identifying the type of vehicle purchased.

VIN OF VEHICLE PURCHASED- Starting in the 1st box, enter the VIN number as shown on the Vehicle Registration Certificate received at the local Revenue Office when the tax was paid.

DATE PURCHASED - Enter the month, day, and year of the vehicle purchased. Example: 08-19-2001.

PURCHASE PRICE - Enter the vehicle purchase price as shown on the Vehicle Registration Certificate.

DESCRIPTION OF VEHICLE SOLD- Enter year, make, model of the vehicle sold.

TYPE VEH SOLD - Enter the appropriate code (A, T, S, M) identifying the type of vehicle sold.

VIN OF VEHICLE SOLD - Starting in the 1st box, enter the Vehicle Identification Number of the vehicle sold. This can be found on bill of sales, titles, previous registration forms issued by the Revenue Office, etc.

DATE SOLD - Enter the month, day, and year of the vehicle sold. Example: 09-01-2001.

SELLING PRICE - Enter the selling price as shown on the title or bill of sale given to the new owner.

SIGNATURE OF CLAIMANT- Legal signature of claimant whose name is shown on the Vehicle Registration Certificate. For a business, an owner or officer must sign.

DATE - Actual date the form is signed.

TELEPHONE # - Enter a phone number at which the claimant can be contacted.

CLAIMANT'S SSN OR FEIN - Enter your social security number if the refund is for an individual owner(s), or a federal identification number if issued to a business. A FEIN will be entered using the SSN format. Example: 710-12-3456.

In addition to the completed form, **the following documents must be attached:**

- 1) A legible copy of the Vehicle Registration Certificate/Tax Receipt that is given at the local Revenue Office when registering the vehicle purchased, **and**
- 2) A copy of the bill of sale for the vehicle purchased. (If you do not have this item you may send a written request to obtain a copy, for which there is a \$1.00 charge per document. Mail your request to: Department of Finance and Administration, Office of Motor Vehicle, P.O. Box 1272, Little Rock, AR 72203). **and**
- 3) A copy of the bill of sale for the vehicle sold. Included should be the VIN & description of the vehicle sold, date of sale, selling price, names, addresses and signatures of both the seller and buyer.

Mail the completed claim form and all documents to: Tax Credits/Special Refunds Section, PO Box 8054, Little Rock, AR 72203

Failure to furnish the required documentation will delay the issuance of your refund. Please allow at least 6 weeks for the processing of your claim form. For more information about the credit for selling a used vehicle, please call your local Revenue Office, or the Tax Credits/Special Refunds Section at (501) 682-7106.